

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 INR-07 JUSE-00

NSAE-00 SNM-02 TRSE-00 USIA-06 NSC-05 OES-06

OMB-01 SS-15 HEW-04 DODE-00 L-03 /084 W

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FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 8027

INFO AMEMBASSY BANGKOK

AMEMBASSY BUDAPEST

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

USMISSION GENEVA

USUN NEW YORK 595

AMCONSUL HONG KONG

AMCONSUL UDORN

DEA WASHDC

CINCPAC FOR POLAD

C O N F I D E N T I A L VIENTIANE 0696

E.O. 11652: GDS

TAGS: SNAR LA HU CZ BU VN UN

SUBJECT: ILLICIT INTERNATIONAL MOVEMENT OF LAO OPIUM ALLEGED

SUMMARY: RECENT REPORTS INDICATE THAT THE LPDR MAY BE ACTIVELY INVOLVED IN THE EXPORT OF LAO OPIUM THROUGH CLANDESTINE DEALINGS WITH CHINESE MERCHANTS IN VIENTIANE AND IN THE FORM OF OPIUM BASED PHARMACEUTICALS (AND POSSIBLY RAW OPIUM) TO EAST EUROPEAN COUNTRIES. END SUMMARY.

1. DEPARTING UNDP REPRESENTATIVE ROLAND REIFENRATH TOLD ME APRIL 4 THAT HE KNEW THE LPDR WAS EXPORTING OPIUM CLANDESTINELY THROUGH CHINESE MERCHANTS IN CONFIDENTIAL

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VIENTIANE. HE ALSO SAID THAT THE HUNGARIANS AND BULGARIANS WERE TRYING TO GET INTO THE OPIUM BUSINESS IN LAOS AND ELESWHERE ALL OVER THE WORLD.

2. REINFENRATH SAID THAT IN VIEW OF THE EXTREME SENSITIVITY OF THE LPDR HE HAD NOT BEEN ABLE TO SAY MUCH ABOUT THIS SUBJECT, BUT THAT HE WOULD WHEN GE GOT TO

HEADQUARTERS IN NEW YORK. HE SAID THAT THE UNFDAC PEOPLE HAD URGENTLY WANTED TO CONSULT HIM IN GENEVA BUT THAT HIS PLANS BROUGHT HIM TO NEW YORK VIA MANILA AND PARIS. HE HAD AGREED TO SEE AN UNFDAC HEADQUARTERS REPRESENTATIVE IN VIENTIANE, BUT THE LATTER HAD CHANGED HIS TRAVEL PLANS. THEREFORE, REINFENRATH WOULD NOT BE TALKING TO UNFDAC HEADQUARTERS BUT WOULD BE TALKING TO HIS OWN HEADQUARTERS.

3. THE BULGARIAN AMBASSADOR REPORTEDLY TOLD BOTH THE BRITISH AMBASSADOR AND THE WEST GERMAN CHARGE D'AFFAIRES RECENTLY THAT HIS GOVERNMENT WILL BEGIN CONSTRUCTION OF A FACILITY TO PRODUCE MEDICINAL DRUGS FROM LAO OPIUM. THE FACILITY WILL BE A SMALL ONE LOCATED NEAR LUANG PRABANG.

4. THE LAO PARTY NEWSPAPER "VOICE OF THE PEOPLE" PUBLISHED AN ARTICLE APRIL 4 REPORTING THE SIGNING OF LAO-CZECH AGREEMENT IN WHICH THE CZECHS AGREED TO SUPPLY "MACHINES TO ASSIST IN THE PLANTING AND HARVESTING OF MEDICINES IN LAOS" AND TO "EXCHANGE RAW MATERIALS IN THIS AREA."

5. UNFDAC DIRECTOR IN LAOS, ALEXANDER ARNAUD, MARCH 25 TOLD EMBOFF THAT HE HAD CONTACTED HIS SUPERIOR IN GENEVA TO ALERT THEM TO PLANS BY THE HUNGARIAN GOVERNMENT TO DEVELOP A MEDICINAL DRUG PRODUCING FACILITY IN THE LPDR WHICH WOULD UTILIZE LAO OPIUM. HE TOLD EMBOFF THAT HE REGARDS PRODUCTION OF CONFIDENTIAL

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OPIUM BASED DRUGS IN LAOS TO BE IN VIOLATION OF THE 1961 SINGLE CONVENTION OF NARCOTIC DRUGS TO WHICH LAOS IS SIGNATORY.

6. ON FEBRUARY 15, ARNAUD OUTLINED TO EMBOFF A SYSTEM THROUGH WHICH LAO OPIUM WAS BEING SENT TO HUNGARY, ALLEGEDLY FOR MEDICAL USE. ARNAUD AT THAT TIME SAID THAT WHO REPRESENTATIVE ROGER LECLERCQ WAS A KEY FIGURE IN THE OPERATION, PERSONALLY ENCOURAGING THE LPDR GOVERNMENT TO EXPAND OPIUM PRODUCTION. ARNAUD NAMED INDIVIDUALS WITHIN THE LAO GOVERNMENT AND A WESTERN BUSINESSMAN WHO HE SAID WERE INVOLVED IN THE OPERATION.

7. I CALLED ON DR. LECLERCQ APRIL 5 TO TRY TO SORT OUT REPORTS OF POSSIBLE INVOLVEMENT OF HUNGARY, BULGARIA AND CZECHOSLOVAKIA IN POSSIBLE DEVELOPMENT OF THE LAO PHARMACEUTICAL INDUSTRY, INCLUDING PROCESSING OF OPIUM. DR. LECLERCQ EXPLAINED TO ME IN SOME DETAIL

WHAT HE ALLEGED TO BE THE NATURE OF LAO PLANS FOR DEVELOPMENT OF A PHARMACEUTICAL INDUSTRY, WHO ASSISTANCE AND THE POSSIBLE EVENTUAL INVOLVEMENT OF HUNGARY.

8. HE SAID THAT THE LAO HAD BEEN AWAITING THE ARRIVAL OF A HUNGARIAN NAMED ZALOTAY, CHIEF MANAGER OF THE HUNGARIAN PHARMACEUTICAL INDUSTRY, WHO WAS SUPPOSED TO COME TO LAOS IN THE COMPANY OF ANOTHER HUNGARIAN, MR. BAYER, TO CONDUCT A FEASIBILITY STUDY ON HOW TO SET UP A LAO PHARMACEUTICAL INDUSTRY. ZALOTAY FELL ILL AND BAYER BECAME "UNAVAILABLE" SO THE LAO HAVE SINCE BEEN ASKING EVERYBODY FOR WHATEVER HELP THEY CAN GET.

9. LECLERCQ SAID THAT THE BIG PROBLEM IN DEVELOPING THE LAO PHARMACEUTICAL INDUSTRY REMAINED OPIUM. HE SAID THAT IN EASTERN EUROPE THE HUNGARIANS MANUFACTURE OPIUM PRODUCTS UNDER UN SUPERVISION AND THE LAO DO NOT CONFIDENTIAL

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SEE WHY THEY CANNOT USE THEIR OWN OPIUM TO MANUFACTURE OPIUM-BASED MEDICINAL DRUGS FOR DOMESTIC USE IN LAOS AND FOR EXPORT TO FRATERNAL SOCIALIST COUNTRIES. THEY REPORTEDLY DISCLAIM ANY INTENTION TO ENGAGING IN CLANDESTINE NARCOTICS TRAFFIC.

10. LECLERCQ QUOTED THE LAO AS ADMITTING THAT THEY ARE FORCED TO CONTINUE OPIUM PRODUCTION IN SOME AREAS BECAUSE OF POLITICAL PROBLEMS WITH THE HMONG (MEO) BUT SAID THAT THE LAO HAVE CLOSED OPIUM DENS IN VIENTIANE AND WERE STOPPING DELIVERIES OF OPIUM TO VIENTIANE. HE SAID THAT THEY ALSO ADMIT THAT THERE IS SOME SMUGGLING OF LAO OPIUM GOING ON BUT CLAIM THAT THEY ARE NOT DOING IT.

11. LECLERCQ SUMMARIZED THE ATTITUDE WITHIN THE LAO GOVERNMENT REGARDING OPIUM PRODUCTION: THE MINISTRY OF FOREIGN AFFAIRS REPORTEDLY WOULD LIKE TO HAVE STRICT CONTROLS AND NO PHARMACEUTICAL PRODUCTION OF OPIUM-ORIGIN PRODUCTS, WHILE THE THE MINISTRY OF PUBLIC HEALTH WANTS TO DEVELOP PHARMACEUTICAL PRODUCTION OF OPIUM PRODUCTS.

12. COMMENT: LECLERCQ'S ASSUMPTION THAT THE LPDR IS NOT DOING ANYTHING ILLEGAL CONFLICTS WITH VIEWS HELD BY THE SENIOR UN REPRESENTATIVE IN LAOS (REINFENRATH) AND STRONGLY CONFLICTS WITH THE VIEWS OF UNFIDAC REPRESENTATIVE (ARNAUD) THAT EAST EUROPEAN CURRENT AND PROJECTED INVOLVEMENT IN LAO OPIUM PRODUCTION, PROCESSING AND EVENTUAL DISTRIBUTION MAY NOT BE ALL ABOVE BOARD.

13. WE ARE NOT IN A POSITION TO EVALUATE REINFENRATH'S
VIEW THAT THE LAO GOVERNMENT IS INVOLVED IN THE
CLANDESTINE EXPORT OF OPIUM THROUGH CHINESE MERCHANTS
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14. HELPING TO OBSCURE THE ENTIRE ISSUE OF ILLICIT
OPIUM PRODUCTION AND EXPORT IN THE LPDR IS THE
PERSONAL AND PROFESSIONAL INFIGHTING AMONG VARIOUS UN
AGENCIES AND OFFICIALS HERE, WHICH IS ENDEMIC AND
BITTER. LECLERCQ CONCENTRATES ON ASSISTING THE
DEVELOPMENT OF THE OVERALL LAO PUBLIC HEALTH CAPACITY.
ARNAUD CONCENTRATES ON ELIMINATING DRUG ABUSE. THERE
DOES NOT SEEM TO BE MUCH CONFIDENCE, COOPERATION OR
EVEN COMMUNICATION BETWEEN THE TWO.

15. WHATEVER THE LPDR AND ITS "SOCIALIST" FRIENDS
HAVE IN MIND IN THE WAY OF PROCESSING AND EXPORTING
OPIUM PRODUCTS, IT WOULD SEEM THAT THEY WOULD HAVE TO
SQUARE THEMSELVES WITH THE INTERNATIONAL NARCOTICS
CONTROL BOARD OR BE IN VIOLATION OF THE SINGLE
CONVENTION.
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Message Attributes

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TAGS: SNAR, LA, HU, CZ, BU, VN, UN
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